

SENATE BILL 808

By Woodson

AN ACT to amend Tennessee Code Annotated, Section 36-5-501, relative to obligations of employers who withhold child support amounts.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 36-5-501, is amended by adding a new subsection thereto, as follows:

(r) Failure of any employer, person, corporation or institution to pay income withheld to the clerk or clerks, to the department, its contractor, or other entity, or Title IV-D child support agency in any other state that issued such order is a breach of a fiduciary duty to the obligor. Any action alleging breach of fiduciary duties by an employer, person, corporation or institution pursuant to this section must be brought within one (1) year from the date of such breach or violation; provided, that in the event the alleged breach or violation is not discovered nor reasonably should have been discovered within the one-year period, the period of limitation shall be one (1) year from the date such was discovered or reasonably should have been discovered. In no event shall any such action be brought more than three (3) years after the date on which the breach or violation occurred, except where there is fraudulent concealment on the part of the defendant, in which case the action shall be commenced within one (1) year after the alleged breach or violation is, or should have been, discovered.

SECTION 2. This act shall take effect July 1, 2007, the public welfare requiring it.